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### IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92051465				
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Attachments MotionToDismiss.pdf ( 24 pages )(487356 bytes )					

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Registration No. 3,559,342 For the Trademark THE EDGE Issued January 13, 2009

In the Matter of Registration No. 3,381,826 For the Trademark GAMER'S EDGE Issued February 12, 2008

In the Matter of Registration No. 3,105,816 For the Trademark EDGE Issued June 20, 2006

In the Matter of Registration No. 2,251,584 For the Trademark CUTTING EDGE Issued June 8, 1999

In the Matter of Registration No. 2,219,837 For the Trademark EDGE Issued January 26, 1999

EA DIGITAL ILLUSIONS CE AB, a Swedish **MOTION TO DISMISS** Corporation; ELECTRONIC ARTS INC., a PROCEEDINGS AND/OR Delaware corporation, **REOUEST FOR** Petitioners, RECONSIDERATION OF BOARD'S EARLIER **RELATED DECISION(S)** v. EDGE GAMES, INC., a California corporation and FUTURE PUBLISHING LTD a UK Cancellation No. 92051465 corporation Co-Registrants/Co-Defendants.

Trademark Trial and Appeal Board U.S. Patent and Trademark Office P.O. Box 1451 Alexandria, Virginia 22313-1451 Defendant EDGE has a new basis for a Motion to Dismiss the instant proceedings as well as proof the proceedings should have been dismissed in 2009 under the doctrine of Non-Mutual Defensive Collateral Estoppel (previously overlooked by the Board).

- 1. On review of the history of these proceedings, Defendant Edge Games, Inc. ("EDGE") has noted that the Board made a clearly legally incorrect decision to deny EDGE's motion to dismiss these proceedings at their outset in 2009. The Board made an error in law, and in interpretation of the law regarding *Collateral Estoppel* (herein "CE", also known as *Issue Preclusion*, herein "IP") in particular the Board overlooked or misunderstood the law of <u>non</u>-mutual CE/IP, and overlooked or misunderstood the difference between *offensive* CE/IP and *defensive* CE/IP.
- 2. In addition, upon review, EDGE notes that the entire basis that Petitioners originally argued they had a right to bring the instant cancellation proceedings the "interest" that Petitioners needed to have in order to have standing -- went away in the intervening years since the proceedings were started. Indeed, the original "interest" that Petitioners relied upon to file the instant petition went away some three years ago and arguably never existed even at the time of filing in 2009.

### SUMMARY OF KEY FACTS SUPPORTING MOTION TO DISMISS

A. PETITIONERS NEEDED AN "INTEREST" IN THESE PROCEEDINGS TO JUSTIFY FILING, AND IF THEY EVER HAD AN INTEREST THAT INTEREST HAS LONG SINCE CEASED TO EXIST.

Petitioners based their petition on a (now shown to be) false claim of "interest" that EDGE's trademark registrations were causing Petitioners actual harm<sup>1</sup>

3. The core basis of Petitioners' original filing – their justification for having an "interest" in these proceedings -- was that EDGE's various US "Edge" related registrations were causing Petitioners actual harm since Petitioners believed that the existence of EDGE's registrations was causing Petitioners' own applications for the mark "MIRROR'S EDGE" not to be permitted to mature to the USPTO trademark register. A simple review of the status of Petitioners' three applications on the trademark database

<sup>&</sup>lt;sup>1</sup> See paragraphs 17, 22, 27, 32, 38 of Petitioners original petition, and related paragraphs, at Docket #1.

for the mark "MIRROR'S EDGE" reveals that all of them matured to the US register in or about June 22, 2010 unopposed by EDGE and without any hindrance arising from the existence of EDGE's various five "Edge" registrations subject of the instant proceedings (see Exhibit A, being the summary of the Petitioners' three MIRROR's EDGE registrations, Nos. 3806031, 3806032, and 3806033 all of which matured to the US Trademark Register almost three years ago now).

- 4. While at the time Petitioners filed their original petition they possibly had some reason to believe that the USPTO would deny registration to their three MIRROR'S EDGE applications since when Petitioners (EA) attempted to register this mark earlier (Serial No. 77222986), the USPTO rejected that application stating that it believed Petitioners' mark to infringe on EDGE's registered rights, stating further that the mark MIRROR's EDGE was potentially confusable in the mind of consumers with EDGE's EDGE and THE EDGE registrations. But as Petitioners and the Board are well aware, when Petitioners refilled to register the exact same mark for the same goods and services in 2009 (having withdrawn their prior 2007 application for this mark), the USPTO this time decided that MIRROR'S EDGE did not infringe on EDGE's registrations and permitted Petitioners' three applications to go forward to registration in June 2010.
- 5. Thus in June 2010 the sole justification that Petitioners stated in their original petition for filing the instant petition went away as it was proven that their fears were unfounded and that indeed EDGE's "Edge" registrations were not causing any harm to Petitioners whatsoever, let alone "actual harm" that they alleged in their original petition.
- 6. With the sole basis upon which Petitioners justified filing the instant action being removed (proven to have never existed) in at least June 2010, it is thus clear the Board should have thus dismissed these proceedings at that time in the worse case scenario (that is, even if the Board did not accept, which it should have done, EDGE's other arguments why the instant proceedings should have been dismissed in the Fall of 2009 based on Collateral Estoppel).

B THE BOARD MISTAKENLY STATED THAT COLLATERAL ESTOPPEL REQUIRES IDENTITY OF THE PARTIES WHEN IT HAS BEEN ESTABLISHED FOR DECADES THAT THIS IS NOT TRUE. THIS MATTER SHOULD HAVE BEEN DISMISSED IN 2009 WHEN EDGE CORRECTLY INVOKED NON-MUTUAL DEFENSIVE ISSUE PRECLUSION.

The Board mistakenly denied EDGE's 2009 Motion to Dismiss on the basis of Collateral Estoppel because the Board wrongly argued the parties had to be the same for Issue Preclusion to be relied upon, which is not true.

- 7. On February 22, 2011 the Board denied EDGE's October 2009 Motion to Dismiss, and in issuing its decision (Docket #14) the Board stated that it had based its decision on the fact that the Board believed for Issue Preclusion (Collateral Estoppel) to be relied upon the parties to both referenced actions have to be identical, or one has to be identical and the other has to be a privy of the original opposing party. This is not true, and the Board made an error both in summarizing the law on Collateral Estoppel (Issue Preclusion), and in summarizing the legal precedent on this area of law.
- 8. Under both State and Federal Law, only the directly impacted party (i.e. the defendant, here EDGE) needs to be the same for that party to invoke *Defensive* Issue Preclusion (Collateral Estoppel). It is a misunderstanding of the law to claim that both parties have to be the same, or that the new "plaintiff" (here Petitioners) need to be the same as or privy to the original plaintiff party (Velocity Micro Inc). This is neither the law nor in agreement with legal precedent the Board was quite simply wrong to deny EDGE's motion to dismiss on the perfectly valid basis of Issue Preclusion (Collateral Estoppel).

## MOTION TO DISMISS ON NEW GROUNDS / REQUEST FOR RECONSIDERATION ON PRIOR GROUNDS

9. EDGE thus makes this instant filing both to be considered as a new Motion to Dismiss (with at least one entirely new basis for dismissal) and in the alternate as a Request For Reconsideration of the Board's prior wrong decision on Collateral Estoppel. The grounds for valid dismissal are thus (i) the fact the sole basis for bringing the instant petition has gone away (Petitioners' mark Mirror's Edge matured to the register unhindered by EDGE, thus EDGE's marks were not causing Petitioners 'actual harm' or any harm at all; Petitioners interest disappeared the moment their marks matured to the

US register), and (ii) the fact that Petitioners are indeed estopped from bringing the instant proceedings since the same issues were already fully litigated before the District Court in 2008, and Collateral Estoppel dictates that the Board has no standing to consider the same issues again when they were fully litigated and decided in a higher venue (District Court) somewhat over a year before the instant proceedings were filed (see Dockets #5 and #90 for details of the earlier 2008 District Court Final Order and proceedings).

### **ARGUMENT**

- 10. Petitioners' sole basis for bringing the instant action their sole stated reason for having an "interest" -- was their now proven false argument that EDGE's five trademark registrations were individually and collectively causing Petitioners actual harm because they were preventing Petitioners from gaining registration of its mark MIRROR'S EDGE. This sole basis for bringing the instant petition was proven false, or at least entirely unfounded and without merit, when Petitioners three applications for the mark MIRROR'S EDGE all matured to the US Trademark Register on June 22, 2010 (see Exhibit A).
- 11. Insofar as Petitioners argued that EDGE had made threats to stop Petitioners from gaining registration of its mark MIRROR'S EDGE, this argument went away in June 2010 when the marks matured to the US register. And certainly this argument went away by October 2010 when EDGE made an unequivocal statement to Petitioners that EDGE had no intention of challenging Petitioners right to own the mark MIRROR'S EDGE going forward, and when EDGE gave its unequivocal undertaking to not challenge Petitioners' right to own and use the mark MIRROR'S EDGE.
- 12. It is thus beyond dispute that the record of the issues between the parties now clearly reveals that Petitioners never did have a valid basis never did have an interest -- for bringing the instant petition to cancel, and insofar as they may have believed they had a valid basis, that belief should have been clearly removed by June 2010 or at worse case October 2010 when any possibility that EDGE was causing (or would ever cause) Petitioners actual harm went away for ever.

- 13. With the removal of the sole basis Petitioners ever argued they had for bringing the instant proceedings some years ago now, consequently these proceedings should have been dismissed at that time, or indeed should have been dismissed in 2009 when EDGE first made its motion to dismiss.
- 14. In the alternate, insofar as the Board may argue that any party may seek the cancellation of another party's registered marks even if the petitioning party is not claiming actual harm from the existence of said marks (if that be true), then at the very least some years ago now Petitioners were clearly shown to be a disinterested party filing the instant petition, and continuing to pursue this action: a party that no longer had any interest in EDGE's 5 registrations or was in any possible sense being harmed by the existence of EDGE's 5 registrations. In this regard, then, Petitioners became identical with any other party not in danger of harm arising from the registrations, and had no more right to bring the instant petition than any other party be that other party one that claims to be suffering harm due to the registrations or not. And in this respect Petitioners became identical in all important respects to Velocity Micro Inc who were the plaintiffs (c.f petitioners) in the earlier 2008 District Court Action that dealt with the identical issues as were brought before the Board by Petitioners in the instant proceedings.

### SEVERAL MYTHS ABOUT COLLATERAL ESTOPPEL:

Myth #1: It is a *myth* that the parties have to be identical, or show privy status, for a party to validly invoke Collateral Estoppel (Issue Preclusion).

15. The Board was in error in its decision (Docket #14) to deny EDGE's Motion to Dismiss when the Board falsely argued that for EDGE to be able to validly invoke Collateral Estoppel it had to show either that Petitioners were a party to the 2008 action, or that Petitioners are privies to Velocity Micro Inc (or some party that was a party to the 2008 action). This is simply not true. While traditionally prior to 1971 it was usual for courts to require mutuality of parties (that is, the same party seeking to employ estoppel and the same party who previously sought to take action against the party (e.g. the same plaintiff and the same defendant), virtually all courts in the United States -- and certainly all Federal Courts - have abandoned mutuality and now only require that the impacted party be the same (here EDGE, the defendant in both actions) across the

**two actions in question.** The California Supreme Court started the trend toward no longer requiring mutuality of parties for Issue Preclusion (Collateral Estoppel) in 1942 (*Bernhard v. Bank of America* 19 Cal. 2d 807, 122 P.2d 892). By 2009 when EDGE filed its motion to dismiss it was widely held – contrary to what the Board stated – that mutuality of parties was no longer required for valid invocation of Issue Preclusion.

16. The fundamental inequity which the move away from mutuality prevents, is where the same defendant (here EDGE) is forced to repeatedly litigate the exact same issues (here the identical claims that EDGE committed fraud on the USPTO in acquiring its trademark registrations and that EDGE had abandoned its marks through non-use) over and over again against innumerable new plaintiffs.

## Myth #2: It is a myth that each new plaintiff has a right to "its day in court" against the same defendant on the same issue.

17. It is a widely held common misconception that every plaintiff is entitled to its separate "day in court," even against the same defendant on an issue (or issues) where a previous plaintiff already litigated the issue(s) in question. On the contrary, the Supreme Court outright rejected the idea that every person or entity has their own right to have their case heard against the same defendant and on the same issue(s) (*Allen v. McCurry*, 449 U.S. 90, 103 (1980)). Indeed, this is obviously sensible since otherwise all that a group of malicious entities would need to do in order to prevail over the same defendant is to take turns suing the defendant for the exact same issue over and again until one of the group finally got the result the group was looking for. That would clearly be an abuse of process, and indeed it is an abuse of process if even one additional entity tries to sue the same defendant on the exact same issue that a court has already ruled on. There is also a grave danger were multiple plaintiffs against the same defendant to be permitted of the USPTO making a ruling in direct conflict with an earlier ruling by the District Court on the exact same issue (here whether EDGE committed fraud on the PTO in obtaining its trademarks). That obviously can never be permitted to happen.

18. It is well established that the USPTO/TTAB has to accede to the District Court as the superior venue, and thus USPTO/TTAB should refuse to hear an issue that

the District Court has already heard pertaining to the same accused party (here EDGE), even if the second party (the "plaintiff"/"petitioner") is different, and certainly should not permit a situation to arise where the USPTO/TTAB could arrive at a verdict opposite to that which the District Court reached on precisely the same issue(s). Where the District Court has heard the same issue(s) on the same facts already fully litigated, the USPTO/TTAB is not permitted to re-litigate the issue(s), even if the "plaintiff" (that is, "petitioner") is different, since it would be a fundamental breach of law and an abuse of process for the USPTO/TTAB to ever be in a position of arriving at a decision directly in conflict with an earlier judgment and order on the same issue(s) and the same facts as arrived at by a superior venue, the District Court.

## Myth #3: It is a myth that a new plaintiff has the right to sue the same defendant on the same issue(s) if the new plaintiff has new evidence not previously considered.

19. This is also a myth, since while Collateral Estoppel does not apply to an issue that could not have been raised in prior proceedings (See Chern v. Bank of America (1976) 15 Cal.3d 866, 871-72), by contrast Collateral Estoppel does apply where an issue or fact or evidence could have been raised at the prior proceedings. Here, Petitioners have not raised any new issues, or facts nor produced any new evidence, that was not available at the 2008 Velocity Micro proceedings, or could not have been available at those proceedings. Indeed, all of Petitioners (false) allegations relating to claimed fraud on the PTO by EDGE relate to dates prior to December 2008 when the prior District Court Final Order was made, and thus by definition Petitioners cannot (and indeed, do not) have any new facts or evidence that was either not considered at the 2008 proceedings, or which could not have been considered at those proceedings. Indeed, every point raised by Petitioners was indeed already considered in the 2008 proceedings, and fully taken into account by the court in issuing the 2008 Final Order, with the exception of course of the fraudulent fabrications filed by Petitioners intended to give the appearance that EDGE had committed fraud on the PTO when in fact there was no such fraud at the 2008 Court Order confirmed.

## Myth #4: It is a myth that stipulated judgments cannot be used as a basis for Collateral Estoppel claims.

- 20. Petitioners would have the Board believe that because the 2008 District Court Final Order and Judgment was a stipulated one that thus it was not fully litigated, and thus it was not a valid order that can be used as part of a Collateral Estoppel challenge. On the contrary, there have been numerous Supreme Court and Superior Court rulings that establish that stipulated judgments (and the resulting Final Orders) are perfectly valid bases for Collateral Estoppel. *California State Auto. Ass. Inter-Ins. Bureau v. Superior Court* (1990) 50 Cal.3d 658, 64, 67 held that "a stipulated judgment may properly be given Collateral Estoppel effect, at least when the parties manifest an intent to be collaterally bound by its terms." (Id at 664). The court held in particular that Collateral Estoppel shall be deemed to be valid where the parties used wording in the stipulated Final Order/Judgment (such as "this shall be deemed to have been fully defended on the merits") that clearly indicated that it was the intent of the parties in entering into the judgment to collaterally estop further litigation of the same issue(s) (Id at 664-65, fn2).
- 21. Here, it is abundantly clear that the wording of the Final Order of the District Court in December 2008 was specifically intended to estop further litigation of the same issues: in paragraph 4 of the Final Order dated December 16, 2008, the District Court gave approval to the wording "Edge Games, Inc. and The Edge Interactive Media, Inc. are deemed to have defended and succeeded on the merits with respect to the Complaint." The clear intent of this wording was to collaterally estop any other party from taking action against EDGE in future on the same issues (of EDGE committing fraud in obtaining its trademarks or EDGE having abandoned its marks through non-use).

### The 2008 action was deemed by the Virginia District Court to be fully litigated.

22. Contrary to the false statements made by Petitioners in Response to EDGE's original Motion to Dismiss in 2009, the Velocity Micro case before the District Court in 2008 *was* fully litigated: the wording of paragraph 4 of the Final Order of December 16, 2008 was specific in its statement, approved by the court, that EDGE was

to be deemed to have fully defended and succeeded on the merits in respect to the Complaint, which is the very definition of "fully litigated" in the sense that is intended when testing for whether Collateral Estoppel (Issue Preclusion) is valid in this instance. In any event, that argument is moot (despite the Board mistakenly stating in Docket #14 that it agreed with Petitioners) since the law and precedence on Collateral Estoppel states that Collateral Estoppel can be invoked even where there is a stipulated judgment so long as the parties indicate that the intention of the judgment is to estop all future litigation by any party on the same issue(s) by using such a phrase as "shall be deemed to have defended and succeeded on the merits" (as was clearly the case here in the 2008 Judgment where this precise form of language was used indicating that estoppel was a specific intention of the parties in the 2008 final judgment and order).

# CLAIM PRECLUSION (RES JUDICATA) REQUIRES SAME PARTIES, <u>BUT ISSUE PRECLUSION (COLLATERAL ESTOPPEL, "CE") DOES NOT;</u> DEFENSIVE CE ONLY REQUIRES A COMMON DEFENDANT, OFFENSIVE CE ONLY REQUIRES A COMMON PLAINTIFF.

- 23. In 1971 Non-Mutual Defensive Collateral Estoppel (Issue Preclusion) enter Federal Law formally (Blonder-Tongue Laboratories, Inc v. University of Illinois Foundation, 402 U.S. 313 (1971)). In this watershed Supreme Court ruling it was firmly decided once and for all that District Courts could not longer reject Collateral Estoppel as an Affirmative Defence on the basis that the second action did not have the same parties as the first action. Specifically, the Blonder-Tongue ruling determined that so long as one party is identical between the two actions i.e. so long as the defendant is the same the defendant may invoke Collateral Estoppel to prevent a new Plaintiff from litigating an issue that was previously litigated with the same defendant and a different plaintiff. This was a patent case, and put simply the Supreme Court ruled that in this example the District Court had ruled the patent in question invalid, and once ruled invalid (with any avenue of appeal being exhausted or waived), then it remains invalid in the future irrespective of whether different plaintiff's try to get the question of the patent's validity re-litigated.
- 24. While Blonder-Tongue was about a District Court ruling a patent invalid, obviously the same would apply (as in our situation) where a District Court has ruled that a trademark is valid (that is was not obtained by fraud on the USPTO, and had not

been abandoned due to non-use). This non-mutual Collateral Esptoppel (that is, non-mutual in that one the defendant need be the same, not the plaintiff) has been extremely well established since first introduced in 1971, with all Federal Courts, and nearly all State Courts, consistently ruling that non-mutual defensive collateral estoppel is to be recognized and acted upon. More specifically, it has become well established that if a defendant successfully defended itself against an allegation on an issue (here EDGE successfully defended itself on both the fraud and non-use issues in 2008), then no new plaintiff (or petitioner) can then later seek to be heard on the same issue (here on either fraud in obtaining EDGE's marks or abandonment of EDGE's marks).

25. In short, the clearly established law on Non-Mutual Defensive Collateral Estoppel (non-mutual defensive issue preclusion) dictates that the Board has no choice but to reject the current petition by Petitioners, and indeed that the Board should have rejected the petition in 2009 and dismissed these proceedings in 2009 when EDGE first invoked the affirmative defense of Non-Mutual Collateral Estoppel.

### PETITIONERS HAVE NO RIGHT TO "THEIR DAY IN COURT"

26. While Petitioners have had no interest in EDGE's trademark registrations and in this petition, and thus should not have been permitted to continue with the instant petition, and while the Board was wrong to suggest Petitioners had a right to be part of the 2008 action to be estopped, in any event Petitioners did have (in essence) representation at the 2008 proceedings (or missed their opportunity to intervene). Whereas Velocity Micro had a very specific and real interest in EDGE's marks EDGE and GAMER'S EDGE (since Velocity Micro was using these exact marks in U.S. commerce and had sought to register these exact marks for itself), Petitioners by contrast had no interest in any of EDGE's marks since none were identical to Petitioners' mark MIRROR'S EDGE and their mark was not being blocked by any of EDGE's marks. However, in the case of any party alleging that a registrant has either committed fraud on the USPTO in obtaining their marks, or has abandoned their marks through non-use, in a real sense the party is taking the action (be it before a District Court or before the Board) on behalf of the USPTO – any alleged fraud, for instance, is not against the plaintiff/petitioner, but it is alleged to be against the USPTO. For this

reason it doesn't matter which party takes action to determine whether or not a registrant has committed fraud on the PTO or has abandoned its marks through non-use.

27. In a real sense, then, when one party takes such action (as Velocity did in 2008) then they are taking it on behalf of all other parties who might have an interest in the registrant's marks (e.g. Petitioners, although they in fact had no interest), and thus in very real terms in 2008 Velocity took action on behalf of Petitioners, and on behalf of any other entity that might later seek to allege that it has an interest in EDGE not retaining its US trademark registrations. Thus Velocity acted as Petitioners Virtual Representative<sup>2</sup> at the 2008 court proceedings and in this sense (which has been affirmed to be a real sense in various court decisions since 1971), Petitioners are a privy to Velocity. That is, while non-mutual Estoppel is entirely valid and operates in EDGE's favor without requiring that Petitioners were a party to the 2008 action, in any event Petitioners were an effective party and also since they knew about the action in 2008 Petitioners also specifically waived all right to rely on not being a party to the 2008 action when the decided at that time not to intervene and make themselves a party to it, which they easily could have done had they wished to. Even if Non-Mutual estoppel was not valid (which it absolutely is here), Petitioners are still estopped because they could have been a party to the 2008 case and chose not to be, and because Velocity acted as a Virtual Representative of Petitioners in that it was acting both for itself and for all entities similarly situated (as was Petitioners in their best case, if they have any interest at all which it now seems certain they did not).

## THE BOARD MISTAKENLY CITED THE JET INC CASE, DRAWING A FALSE CONCLUSION FROM IT

28. The Board mistakenly interpreted the Jet case. What the Board overlooked was that in the Jet case there was *offensive* collateral estoppel being invoked, which meant that to be valid the plaintiff had to be the same (Jet) in both actions. Thus the

<sup>&</sup>lt;sup>2</sup> See Kerr-McGee Chem Corp v Hartigan, 816 F.2d 1177, 1180 (7<sup>th</sup> Cir 1987) for affirmation that a party can be considered a "virtual representative" that is in a sense equivalent to a privy in the circumstance where one party has taken action that is essentially on its own behalf and on behalf of all entities similarly situated. Here Velocity Micro and Petitioners were identically situated in their interest in canceling EDGE's marks – although it transpired that Petitioners actually had no interest at all.

Board's list of four items that have to be met for issue preclusion to be permitted was wrong in its fourth item. In a case where only mutual collateral estoppel is permitted (which is virtually never since 1971) or in a case where non-mutual *offensive* collateral estoppel is being invoked, in both these instances it is correct as the ruling in Jet stated for it to be required that the entity against whom the estoppel is being charged must have been a party to the first action, and must have had full and fair opportunity to litigate the issues. However, the list that the Board quoted from the Jet case does not apply when it is (as here) *defensive* collateral estoppel – that is where the party common to the two actions is the defendant, and where estoppel is being used against the new plaintiff (petitioner). In this case, fair reading of the Jet case's decision (as well as numerous other non-mutual issue preclusion decisions since 1971) shows that it was not the intention of the court in Jet to suggest that (while non-mutual issue preclusion is obviously lawful), the plaintiff must always be the same between the suits in question – that would clearly be nonsensical. This would mean only plaintiffs could invoke CE.

- 29. In this case, then, EDGE only had to show that the first three elements be established since in defensive collateral estoppel it is only required that the defendant be common (the new plaintiff has no right to have been present in person or via privy in the prior case):
  - 1) identity of the issues in a prior proceeding
  - 2) the issues were actually litigated
  - 3) the determination of the issues was necessary to the resulting judgment
- 30. In this case, EDGE met all three criteria and thus non-mutual collateral estoppel should have been granted and the instant proceedings should have been dismissed in 2009. Clearly the issues are identical between the 2008 District Court case and the instant petition to cancel. In both cases it was alleged that EDGE had obtained its registrations by committing fraud on the USPTO (issue #1), and in both cases it was alleged that EDGE had abandoned its registrations through non-use (issue #2). The issues were actually litigated and the 2008 Final Order specifically states that the District Court Judge affirmed that the issues were to be considered litigated defended on the merits. And lastly, the third condition is clearly met since the issues were

obvious absolutely central and necessary to the 2008 District Court judgment – central to the 2008 proceeding was Velocity's claims against EDGE that it had committed fraud and abandoned its US trademarks through non-use.

- 31. Indeed, review of the Jet Inc case reveals that the court makes specific reference to "issue preclusion" in reference to a matter that it could have considered in the Jet case, namely the question of "likelihood of confusion." The court stated in Jet Inc "... we note that this circuit has held that even state court findings of fact relating to the likelihood of confusion between the same marks will allow issue preclusion to operate ..." (at 38). That is, even the court in Jet Inc acknowledges that if a different court, even a lower (state) court, were to determine that there is, or is not, a likelihood of confusion between two trademarks, then that finding *must* be accepted as a basis for issue preclusion in a future case, clearly whether or not the parties are the same in that <u>future case or not</u>. That is the only reasonable reading of the court's position in the Jet Inc case, thus showing that while the court listed four requirements and included the need for the party against whom the estoppel is sought to have had a previous chance to litigate the issue, that was obviously meant by the court to only be in instances where it is prior action of the plaintiff that is giving rise to the estoppel challenge. So even the Jet Inc case that the Board cited confirms that issue preclusion can validly be invoked where there are different parties and where an issue was previously ruled on by a different (even lower) court. By referencing the "issue' of likelihood of confusion, the court was clearly confirming that all similar issues are also to be considered valid basis for estoppel – a previous ruling as to whether a mark was not abandoned (or was abandoned), and any previous ruling that a mark was obtained by fraud (or, as here, ruled that the mark was not obtained by fraud). In call cases, whether or not the parties are the same, the second venue/court is not permitted to re-litigate the exact same issue that has already been decided.
- 32. This being the case for two different District Courts, or even if a matter is being considered before a District Court that was previously decided in a state court, then clearly it is very wrong indeed for the Board to even agree to hear a matter that has been previously decided (had the same issues heard and ruled upon) by either a state or district court.

## SUMMARY AND CONCLUSION – THE BOARD IS OBLIGED TO TERMINATED THESE PROCEEDINGS, WITH PREJUDICE, AND IN EDGE'S FAVOR

- 33. Clearly, the instant proceedings should be dismissed based on the new ground that Petitioners obviously lost their interest in the instant petition lost any interest in whether EDGE's marks remain registered or are cancelled and that Petitioners arguably never had such interest even when they first filed this petition (but in EDGE's very worse case Petitioners lost the interest by at least June 2010 when Petitioners gained registration of their mark MIRROR'S EDGE, or by October 2010 when EDGE gave an unequivocal undertaking not to challenge Petitioners' right to own the mark MIRROR'S EDGE).
- 34. Based on the first ground of this motion, then, the instant proceedings should be dismissed immediately, with prejudice, and all five of EDGE's marks should all remain on the register (and any Board rulings that run contrary to EDGE's marks remaining on the register should be vacated).
- 35. Further, EDGE was clearly right to invoke the doctrine of Non-Mutual Defensive Collateral Estoppel (Issue Preclusion) in 2009, and EDGE had an absolute right to have the instant proceedings dismissed in 2009 on the basis that all of the issues stated by Petitioners in their petition are the same as the issues already fully litigated and ruled upon in the 2008 District Court action that resulted in the judgment that EDGE never obtained any of its registrations through fraud on the USPTO, and that EDGE never abandoned any of its registrations through non-use. Insofar as there is a difference in time between when the Court entered its Final Order in EDGE's favor in December 2008 and Petitioners petition in September 2009, this time difference does not impact the collateral estoppel of either the fraud or non-use issues. In the case of the fraud issue, clearly once the District Court ruled in 2008 that there had been no fraud on the PTO, then that ruling remains for all time, and no future court or venue can enter a valid decision contrary to that of the District Court of Virginia – certainly, the Board has to accept and abide by the District Court 2008 ruling, including the court's specific statement that the 2008 proceedings were to be considered fully litigated.

- 36. As to the non-use issue, the Board has to assume by law that by the District Court ruling in 2008 that EDGE had not abandoned its marks, and did lawfully and genuinely own all of its US marks, therefore use was proven for at the very least the period 2005-2008. By just 9 months later, then, in 2009, Petitioners could not validly challenge EDGE again on alleged non-use of the same marks. For a valid challenge to use (a valid allegation of abandonment) the plaintiff (petitioner) must be able to prove beyond all reasonable doubt that the registrant made no use whatsoever in US commerce for a period of not less than 3 years prior to filing the petition, and that the registrant had no intention of recommencing such use. Here none of the requirements for a valid petition to cancel on the basis of abandonment were met by Petitioners (not least since they had no interest), since for Petitioners to even allege a full three years of non-use they would have had to file their petition not sooner than late December 2011 (that is, three years after the Virginia District Court ordered that EDGE had been proven to have made genuine use of its marks in US commerce).
- 37. In short, the Board should have granted EDGE's motion for dismissal of these proceedings on the basis of non-mutual defensive collateral estoppel (issue preclusion) in 2009 when the motion was first made, and should now immediately terminate these proceedings for the same reason. The proceedings should be terminated, retroactive to when EDGE first invoked issue preclusion in 2009, and such that all of EDGE's registrations remain on the U.S. Trademark Register (with any Board rulings that may run contrary to that situation being vacated).

Date: April 5, 2013 Respectfully submitted,

Dr. Tim Langdell, CEO

EDGE Games, Inc.

Co-Registrant in *Pro Se* 

530 South Lake Avenue, 171

Pasadena, CA 91101

Telephone: 626 449 4334 Facsimile: 626 844 4334 Email: ttab@edgegames.com

### Certificate of Service

In accordance with Rule 2.105(a) of the Trademark Rules of Practice, as amended, it is hereby certified that a true copy of Co-Defendant Edge Games Inc's Motion To Dismiss or in the Alternate Request for Reconsideration was served on the following parties of record, by depositing same in the U.S. Mail, first class postage prepaid, this 8<sup>th</sup> day of April, 2013:

Robert N. Phillips Reed Smith LLP 101 Second Street, Suite 1800 San Francisco, CA 94105-3659

Vineeta Gajwani Electronic Arts, Inc. 209 Redwood Shores Parkway Redwood City, CA 94065

Cheri Langdell
Cheri Langdell

# **EXHIBIT A**



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**Word Mark** 

MIRROR'S EDGE

Goods and Services

IC 041. US 100 101 107. G & S: Entertainment services, namely, providing online video games; Provision of information relating to electronic computer games provided via the Internet. FIRST USE:

20081031. FIRST USE IN COMMERCE: 20081031

**Mark Drawing** 

Code

(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS

**Design Search** Code

01.01.03 - Star - a single star with five points 01.01.11 - Incomplete stars; Stars, incomplete

26.11.03 - Incomplete rectangles; Rectangles (incomplete) 26.11.21 - Rectangles that are completely or partially shaded

**Trademark** Search Facility NOTATION-SYMBOLS Notation Symbols such as Non-Latin characters, punctuation and

mathematical signs, zodiac signs, prescription marks

Classification Code

SHAPES-ASTRO Astronomical shapes consisting of celestial bodies, globes and geographical

maps

SHAPES-GEOMETRIC Geometric figures and solids including squares, rectangles, quadrilaterals

and polygons

SHAPES-MISC Miscellaneous shaped designs

**Serial Number** 77822010

Filing Date September 8, 2009

**Current Basis** 1A **Original Filing** 1A **Basis** 

**Published for** Opposition

February 9, 2010

Registration

3806033

Number

Registration

June 22, 2010 Date

(REGISTRANT) EA Digital Illusions CE AB CORPORATION SWEDEN Katarinavägen 15 Stockholm Owner

**SWEDEN** 

Attorney of

Jacob Schatz Record

**Description of** 

Color is not claimed as a feature of the mark. The mark consists of the words "MIRROR'S EDGE"

with a partial star-shape centered between two odd geometric shapes.

SERVICE MARK Type of Mark

**PRINCIPAL** Register

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Mark

LIVE

Indicator

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**Word Mark** 

MIRROR'S EDGE

Goods and Services

IC 009. US 021 023 026 036 038. G & S: Computer game software; Computer game software downloadable from a global computer network; Video game software. FIRST USE: 20081111. FIRST

USE IN COMMERCE: 20081111

**Mark Drawing** Code

(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS

**Design Search** Code

01.01.03 - Star - a single star with five points 01.01.11 - Incomplete stars; Stars, incomplete

26.11.03 - Incomplete rectangles; Rectangles (incomplete) 26.11.21 - Rectangles that are completely or partially shaded

**Trademark Search Facility**  NOTATION-SYMBOLS Notation Symbols such as Non-Latin characters, punctuation and

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Classification Code

SHAPES-ASTRO Astronomical shapes consisting of celestial bodies, globes and geographical

maps

SHAPES-GEOMETRIC Geometric figures and solids including squares, rectangles, quadrilaterals

and polygons

SHAPES-MISC Miscellaneous shaped designs

**Serial Number** 77821951

Filing Date September 8, 2009

**Current Basis** 1A **Original Filing** 1A **Basis** 

**Published for** 

February 9, 2010 Opposition

Registration

Number

3806032

Registration

June 22, 2010

Date

Owner

(REGISTRANT) EA Digital Illusions CE AB CORPORATION SWEDEN Katarinavägen 15 Stockholm

**SWEDEN** 

Attorney of

Record

Mark

Jacob Schatz

Description of

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Type of Mark

**TRADEMARK** 

Register

**PRINCIPAL** 

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**Word Mark** MIRROR'S EDGE

Goods and IC 016. US 002 005 022 023 029 037 038 050. G & S: Comic books. FIRST USE: 20081031. FIRST

Services USE IN COMMERCE: 20081031

Mark Drawing

(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS Code

**Design Search** 01.01.03 - Star - a single star with five points 01.01.11 - Incomplete stars; Stars, incomplete Code

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**Trademark** NOTATION-SYMBOLS Notation Symbols such as Non-Latin characters, punctuation and

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77821947 Serial Number

Filing Date September 8, 2009

**Current Basis** 1A

**Original Filing** 

**Basis** 

1A

Published for

February 9, 2010 Opposition

Registration

3806031

Number

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Date

June 22, 2010

Owner

Mark

(REGISTRANT) EA Digital Illusions CE AB CORPORATION SWEDEN Katarinavägen 15 Stockholm

**SWEDEN** 

Attorney of Record

Jacob Schatz

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Indicator

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